

Assembly Bill No. 150

CHAPTER 479

An act to amend Section 17710 of the Family Code, to amend and repeal Section 15200.95 of, and to repeal and add Chapter 4 (commencing with Section 10080) of Part 1 of Division 9 of, the Welfare and Institutions Code, and to amend Item 5180-001-0001 of the Budget Act of 1999, relating to child support, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 24, 1999. Filed
with Secretary of State September 27, 1999.]

LEGISLATIVE COUNSEL'S DIGEST

AB 150, Aroner. California Child Support Automation System.

Existing law requires the California Health and Human Services Agency and the State Department of Social Services to develop a linked statewide automated consortium-based data-processing and information retrieval system for the purpose of child support enforcement, provides for the implementation of specified data systems, and provides for the participation of eligible county consortiums.

Existing law also requires that California's child support automation system meets federal automation requirements and subjects the state to the payment of penalties for any failure to meet these requirements by specified dates pursuant to federal law.

This bill would require the state agency designated as the single state agency responsible for operating the child support enforcement program, through the Franchise Tax Board as its agent, to be responsible for procuring, developing, implementing, and maintaining the operation of the California Child Support Automation System in all California counties.

The bill would also specify the procedures by which each county would pay the nonfederal share of the administrative expenses of the program and would allocate to each county, except Los Angeles County, a proportionate reduction in the payment of these costs based on the payment of any federal penalty for the failure of the child support automation system to meet federal automation requirements. It would provide that money from the General Fund would be used to supplant the reduction to state funding as a result of the federal penalty, up to 100% of the reduction, subject to conditions specified by the department and the Department of Finance, and subject to the appropriation of funds in the annual

Budget Act. By requiring counties to participate in the program, the bill would result in a state-mandated local program.

This bill would appropriate \$95,500,000 from the General Fund to the State Department of Social Services for the state payment of penalties, otherwise allocated to each county, being held in abeyance pursuant to the bill. It would also appropriate \$6.6 million from the General Fund to the Franchise Tax Board for purposes of implementing and administering this bill.

The bill would provide for the reallocation of funds appropriated in the 1999 Budget Act for purposes of this act, and, by providing for the reallocation of those funds, this bill would result in an appropriation.

The bill would provide for the reversion of certain unexpended and unencumbered child support incentive funds to the General Fund.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 17710 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17710. (a) Each county shall be responsible for any administrative expenditures for administering the child support program not covered by federal and state funds.

(b) Notwithstanding subdivision (a), effective July 1, 1991, to June 30, 1992, inclusive, counties shall pay the nonfederal share of the administrative costs of conducting the reviews required under Section 15200.8 of the Welfare and Institutions Code from the savings counties will obtain as a result of the reduction in the maximum aid payments specified in Section 11450. Effective July 1, 1992, to June 30, 1993, inclusive, the state shall pay the nonfederal share of administrative costs of conducting the reviews required under Section 15200.8 of the Welfare and Institutions Code. Funding for

county costs after June 30, 1993, shall be subject to the availability of funds in the annual Budget Act.

(c) If the federal government imposes a penalty on California's child support program for the failure to meet the October 1, 1997, deadline for the implementation of an automated child support enforcement system required by the federal Family Support Act of 1988 (P.L. 100-485), no portion of any penalty imposed by the federal government for the period of October 1, 1997, to the date of enactment of the act adding this subdivision shall be assessed against Los Angeles County.

SEC. 1.5. Chapter 4 (commencing with Section 10080) of Part 1 of Division 9 of the Welfare and Institutions Code is repealed.

SEC. 2. Chapter 4 (commencing with Section 10080) is added to Part 1 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 4. CALIFORNIA CHILD SUPPORT AUTOMATION SYSTEM

10080. (a) The Legislature finds and declares the following:

(1) The failure of the Statewide Automated Child Support System (SACSS) has left California without a statewide automated child support system as required by federal law and subjects the state to significant federal penalties.

(2) Statewide uniformity of child support enforcement practices and procedures is essential to an effective child support enforcement program.

(3) A single statewide automated child support system promotes uniformity and supports a child support collection system that keeps children out of poverty and reduces welfare costs. Successful implementation of a single statewide child support system is critical to the welfare of California and its children.

(4) The federal government has informed the state that the proposed consortia-based alternative system configuration submitted by the state for approval does not meet the criteria required by federal law.

(5) The federal government has informed the state that it intends to disapprove the state's child support (Title IV-D) plan because the state has failed to timely implement a State Disbursement Unit as required by federal law. Disapproval of the state IV-D plan may result in the state's ineligibility for a federal Temporary Assistance to Needy Families (TANF) block grant under Title IV-A of the Social Security Act jeopardizing the receipt of billions of dollars of federal funds.

(b) It is, therefore, the intent of the Legislature to:

(1) Establish a single statewide automated child support system that complies with all federal certification requirements, federal and state laws and policies, meets Year 2000 requirements, and ensures child support collections will continue to increase.



(2) Ensure that all counties will have an automation system that will allow them to continue their child support services while a single statewide automated child support system is developed and implemented.

(3) Designate the Franchise Tax Board, as an agent for the department, as the entity responsible for the procurement, development, implementation, and maintenance of the single statewide automated system in accordance with the state's child support (Title IV-D) plan.

(4) Ensure that the single statewide automated system project will be completed successfully and in the most expeditious manner possible through the cooperation of all affected state agencies.

(5) Ensure county participation and compliance with the single statewide automated system by providing for the sharing of federal penalties.

(6) Avoid the repetition of the practices that led to the failure of the SACSS system and to require the department to ensure that procedures are in place to prevent the repetition of those practices.

10081. The definitions contained in this section shall govern the construction of this chapter, unless the context requires otherwise:

(a) "Annual automation cooperation agreement" or "ACA" means an agreement between a county and the department, developed in consultation with the Franchise Tax Board, that specifies the responsibilities, activities, milestones, and consequences in regard to automation and that provides the authority for the department to pass through automation funding to the counties.

(b) "California Child Support Automation System" means a single automated child support system operative in all California counties and includes the State Case Registry, the State Disbursement Unit, and all other necessary data bases and interfaces.

(c) "Consortia" means one or more counties that have entered into an agreement to jointly use and maintain a common automated child support system.

(d) "Department" means the state agency designated as the single state agency responsible for operating the child support enforcement program.

(e) "Director" means the director of the state agency designated as the single state agency responsible for operating the child support enforcement program.

(f) "Local child support agency" means the county department established pursuant to Section 17304 of the Family Code.

(g) "Work plan" means a comprehensive document developed by a county that is used to manage its activities toward statewide automation. The work plan shall include, but not be limited to, all tasks, timelines, resources, and critical milestones necessary to complete the county's project responsibilities and any other provision specified by the department.



10082. (a) The department, through the Franchise Tax Board as its agent, shall be responsible for procuring, in accordance with Section 10083, developing, implementing, and maintaining the operation of the California Child Support Automation System in all California counties. This project shall, to the extent feasible, use the same sound project management practices that the Franchise Tax Board has developed in successful tax automation efforts. The single statewide system shall be operative in all California counties and shall also include the State Case Registry, the State Disbursement Unit and all other necessary data bases and interfaces. The system shall provide for the sharing of all data and case files, standardized functions across all of the counties, timely and accurate payment processing and centralized payment disbursement from a single location in the state. The system may be built in phases with payments contingent on acceptance of agreed upon deliverables. As appropriate, additional payments may be made to the vendors for predefined levels of higher performance once the system is in operation.

(b) All ongoing interim automation activities apart from the procurement, development, implementation, and maintenance of the California Child Support Automation System, including Year 2000 remediation efforts and system conversions, shall remain with the department, in consultation with the Health and Welfare Data Center, and shall not be the responsibility of the Franchise Tax Board. However, the department shall ensure that all interim automation activities are consistent with the procurement, development, implementation, and maintenance of the California Child Support Automation System by the Franchise Tax Board through the project charter described in Section 10083 and through continuous consultation.

(c) The department shall seek, at the earliest possible date, all federal approvals and waivers necessary to secure financial participation and system design approval of the California Child Support Automation System.

(d) The department shall seek federal funding for the maintenance and operation of all county child support automation systems until the time that the counties transition to the California Child Support Automation System.

(e) The department shall direct local child support agencies, if it determines it is necessary, to modify their current automation systems or change to a different system, in order to meet the goal of statewide automation.

(f) Notwithstanding any state policies, procedures, or guidelines, including those set forth in state manuals, all state agencies shall cooperate with the Franchise Tax Board to expedite the procurement, development, implementation, and operation of the California Child Support Automation System and shall delegate to



the Franchise Tax Board, to the full extent possible, all functions including acquisition authority as provided in Section 12102 of the Public Contract Code, that may assist the Franchise Tax Board. All state agencies shall give review processes affecting the single statewide automation system their highest priority and expedite these review processes.

(g) The Franchise Tax Board shall employ the expertise needed for the successful and efficient implementation of the single statewide child support automation system and, therefore, shall be provided three Career Executive Assignment Level 2 positions, and may enter into personal services agreements with one or more persons, at the prevailing market rates for the kind or quality of services furnished, provided the agreements do not cause the net displacement of civil service employees.

(h) All funds appropriated to the Franchise Tax Board for purposes of this chapter shall be used in a manner consistent with the authorized budget without any other limitations.

(i) The department and the Franchise Tax Board shall consult with local child support agencies and child support advocates on the implementation of the single statewide child support automation system.

(j) (1) Notwithstanding the provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), through December 31, 2000, the department may implement the applicable provisions of this chapter through family support division letters or similar instructions from the director.

(2) The department may adopt regulations to implement this chapter in accordance with the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The adoption of any emergency regulation filed with the Office of Administrative Law on or before January 1, 2003, shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, and safety or general welfare. These emergency regulations shall remain in effect for no more than 180 days.

10083. (a) The Franchise Tax Board, as agent for the department, shall develop a procurement plan that employs, where appropriate, techniques proven to be successful in the Franchise Tax Board's previous technology efforts and incorporates where possible best practices from other government jurisdictions. The procurement plan shall consider the events and circumstances that contributed to the failure of the SACSS system and incorporate a strategy for avoiding the repetition of those events and circumstances and shall consider the findings and recommendations made by the Bureau of State Audits in its evaluation of the failure of the SACSS system.

(b) Prior to procurement, the department and the Franchise Tax Board shall develop a project charter that shall be approved by the Executive Officer and Director of the Franchise Tax Board, the director of the department, and the Secretary of the California Health and Human Services Agency. The project charter shall include governance structure, business requirements, project scope, performance measures, contract authority, and all other elements the department and the Franchise Tax Board deem necessary to successfully manage the procurement, development, implementation, and operation of the California Child Support Automation System.

(c) The procurement plan, subject to federal approval, shall include, but not be limited to elements, that accomplish the following tasks:

(1) Provide for full and open competition among qualified vendors. Vendors shall be prequalified based on factors such as successful past performance and implementation of similar systems in other government jurisdictions.

(2) Specify business outcomes to be achieved, not the solution to be provided.

(3) Allow a period of confidential discussion and discovery to develop and refine potential solutions to best meet the business needs.

(4) Maximize the potential for competition and reduce time for implementation by phasing in the project to the greatest extent possible.

(5) Structure the plan to maintain maximum vendor commitment to project success and minimize risk to the state by sharing risk with the private sector.

(6) Utilize “best value” evaluation methods, which means to select the solution based upon achieving the best solution based on business performance measures not necessarily the lowest price.

(7) Consider the future ability of the selected system to provide enhancements that will improve long-term effectiveness of child support management.

(8) Base payments to the vendors primarily on achieving predefined performance measures.

(d) The California Child Support Automation System shall incorporate technology that can be readily enhanced and modernized for the expected system life. In selecting the new system, consideration shall be given to the extent to which the candidate systems employ open architectures and standards.

(e) Notwithstanding any other provision of law, the department, or the Franchise Tax Board, or its designee may contract with existing child support consultants to provide their current and related services and project management through the life of the child support automation project to help meet legislative timeframes,

consistent with the requirements of Article 7 of the California Constitution.

(f) Notwithstanding any other provision of law, the procurements for all design, development, implementation, maintenance, and operation of the California Child Support Automation System and any bid protest conducted under this chapter shall be subject to the following procedures:

(1) The Executive Officer of the Franchise Tax Board, or his or her designee, may consider and decide initial protests. A decision regarding initial protests shall be final.

(2) A contract may be entered into pending a final decision on a protest. The protest shall not prevent the commencement of work in accordance with the terms of the contract awarded.

(3) Protests shall be limited to participating bidders.

(4) A protest shall be filed within five days of the posting of the notice of the award. The Department of General Services shall review a protest within seven days of the filing date. If the Department of General Services finds that a protest is clearly insufficient on its face, entirely without merit, or outside the scope of permissible protest, it may make a final disposition of the protest.

(5) The Director of General Services shall issue a ruling within a period not to exceed 45 days from the date the protest is filed.

(6) Grounds to protest under this section shall be limited to violations of the solicitation procedures resulting in the protestant's proposal not being selected. These grounds shall be stated in the solicitation document with the protest procedures.

(7) Any bidder that has filed a protest that is determined by the Department of General Services to be clearly insufficient on its face, entirely without merit, or outside the scope of permissible protest shall not be eligible to participate in solicitations conducted under this section.

(g) To protect public confidence in the integrity of the procurements described in this section, the State Auditor shall monitor the evaluation and selection process and must certify that the evaluation was based on the evaluation criteria contained in the solicitation document, that the vendor or vendors were chosen according to the selection methodology in the solicitation document and that both of these activities were carried out without bias or favoritism toward any bidder.

10084. (a) The department shall be responsible for requiring each local child support agency to cooperate in establishing the California Child Support Automation System in every county. This requirement shall include taking steps necessary to facilitate the transition from interim systems to the California Child Support Automation System, including those modifications to current systems as the department may require in subdivision (d) of Section 10082.



(b) The department shall require each local child support agency, by December 1, 1999, and each December 1 thereafter, to enter into an annual automation cooperation agreement (AACA) with the department. The department, in consultation with the Franchise Tax Board, shall specify the terms of the agreement.

(c) Each local child support agency shall develop and submit a work plan to the department by the dates specified by the department in the AACA.

(d) If the AACA needs to be amended due to a change in state or federal law, regulations, or policy, each local child support agency must enter into an amended AACA as required by the department.

(e) A local child support agency shall not receive any state General Fund moneys or federal funds for child support automation efforts for any period in which the department has found that the local child support agency has failed to do any of the following:

- (1) Enter into an AACA.
- (2) Develop, submit, or comply with their work plan.
- (3) Enter into an amended AACA when required by the department.
- (4) Comply with any other provision of the AACA.

10085. (a) (1) Automation costs for county interim systems shall be funded with General Fund incentive funds available pursuant to paragraph (1) of subdivision (b) of Section 15200.81 prior to the funding of administrative costs pursuant to clause (I) of subparagraph (B) of paragraph (2) of subdivision (b) of Section 15200.81.

(2) Automation costs for county interim systems shall be funded with General Fund incentive funds available pursuant to paragraph (1) of subdivision (b) of Section 17704 of the Family Code prior to the funding of administrative costs pursuant to clause (I) of subparagraph (B) of paragraph (2) of subdivision (b) of Section 17704 of the Family Code.

(3) Paragraph (2) shall only become operative if Assembly Bill 196 of the 1999–2000 Regular Session becomes operative January 1, 2000, in which case paragraph (1) shall be operative only until the operative date of Assembly Bill 196, at which time paragraph (2) shall become operative.

(b) To the extent funds are provided in the annual Budget Act, the state shall be responsible for funding the development and procurement of the California Child Support Automation System, all costs of transitioning the local child support agencies from their existing child support automation systems to that system, and all of the nonfederal share of local child support agencies' interim automation costs, which may include the following:

- (1) Data cleanup and conversion activities, training costs, and costs associated with the development of county interfaces, as defined by the department.

(2) Costs associated with ongoing maintenance and operations, as specified by the department.

(3) Enhancement costs related to state and federal mandates, as specified by the department.

(4) Enhancement costs related to Year 2000 requirements, as specified by the department. For any local child support agency that does not develop a Year 2000 remediation plan approved by the department, according to standards developed by the department, and does not make progress on the approved work plan, no state funds shall be available.

(5) Enhancement costs required to meet the distribution requirements contained in Public Law 104-193 and any subsequent amendments to the distribution requirements, as specified by the department.

(6) Any other costs as deemed necessary by the department to ensure that local child support agencies can continue operating essential interim automation systems.

(c) (1) Automation costs under this chapter shall not be considered county administrative costs described in Section 15200.81.

(2) Automation costs under this chapter shall not be considered county administrative costs described in Section 17704 of the Family Code.

(3) Paragraph (2) shall only become operative if Assembly Bill 196 of the 1999–2000 Regular Session becomes operative January 1, 2000, in which case paragraph (1) shall be operative only until the operative date of Assembly Bill 196, at which time paragraph (2) shall become operative.

(d) Notwithstanding any other provision of law, no local child support agency may enhance or expand a child support automation system unless specifically authorized by the director, in writing, after having made a finding that the enhancement or expansion costs are necessary to maintain existing levels of service, accommodate changes in state or federal law, or will result in increased short-term program performance and is otherwise cost-effective. The director shall respond within 60 days to the request for authorization.

10086. If the state pays on behalf of a county child support automation costs that are otherwise the responsibility of the county, the state may recover these payments through billing the county or offset of amounts from any state payments due to the county after consulting with the county on the recovery methodology.

10087. To the extent that funds are provided in the annual Budget Act, the state shall pay all of the federal share of local child support agency child support automation costs that are unfunded by the federal government. The department shall establish the criteria under which these costs shall be paid to each local child support agency. Criteria shall include, but are not limited to, the following: The local child support agency's compliance with the requirements

to enter into an AACA with the department; the local child support agency's development, submission, and compliance with its approved work plans; the local child support agency's action to enter into an amended AACA when required by the department; and the local child support agency's compliance with all of the provisions of the AACA.

10088. (a) If the federal government imposes a penalty on California's child support program for failure to meet the federal automation requirements, the penalty, for purposes of this chapter, shall be considered a reduction of federal financial participation in county and state administrative costs of the child support program, and shall be allocated to each local child support agency in proportion to its administrative costs. In such a case, the department may hold penalties in abeyance and supplant any dollar reduction to county administrative funding, up to 100 percent of the reduction, subject to the availability of funds in the annual Budget Act. The department and the Department of Finance shall establish criteria under which the penalties may be held in abeyance to each local child support agency. Criteria for which these penalties may be held in abeyance include, but are not limited to, the following: The local child support agency has entered into an AACA with the department; the local child support agency is meeting all due dates in its work plan, including steps to resolve any Year 2000 problems; the local child support agency has resolved any federal distribution requirement problems; and the county is otherwise cooperating in its current automation and AACA requirements and establishing the California Child Support Automation System.

(b) Any local child support agency that receives a reduction in federal funding as a result of the imposition of a federal penalty shall continue to comply with state and federal law and all requirements of the state plan and plans of cooperation, including the AACA.

10090. The department and the Franchise Tax Board shall provide, at least twice annually, written or oral reports on the development and implementation of the California Child Support Automation System to interested persons and organizations, which shall include the California State Association of Counties, the California Family Support Council, members of the Legislature, and child support advocacy groups.

10091. (a) The department, in consultation with the Franchise Tax Board, shall be responsible for establishing timelines for the development and implementation of the California Child Support Automation System. The initial timeline shall address all procurement activities through award of the contracts. A second timeline shall be established covering development and implementation activities once the contract award has been made to the selected vendors. All timelines shall incorporate discrete



development milestones that are enforceable and provide reliable progress indications.

(b) The department and the Franchise Tax Board shall report progress against the established timelines during the annual budget hearing process.

10092. (a) The department, in consultation with the Franchise Tax Board, shall provide uniform statewide training at appropriate intervals to best train state and local child support agency employees on the use and application of the California Child Support Automation System.

(b) The department, in consultation with the Franchise Tax Board, shall develop a training and reference manual to be disseminated to all local child support agencies for employee use.

10093. The provisions of this chapter are severable. If any provision of this chapter or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 3. Section 15200.95 of the Welfare and Institutions Code is amended to read:

15200.95. (a) Each county shall be responsible for its nonfederal share of administrative expenditures for administering the child support program.

(b) Notwithstanding subdivision (a), effective July 1, 1991, to June 30, 1992, inclusive, counties shall pay the nonfederal share of the administrative costs of conducting the reviews required under Section 15200.8 from the savings counties will obtain as a result of the reduction in the maximum aid payments specified in Section 11450. Effective July 1, 1992, to June 30, 1993, inclusive, the state shall pay the nonfederal share of administrative costs of conducting the reviews required under Section 15200.8. Funding for county costs after June 30, 1993, shall be subject to the availability of funds in the annual Budget Act.

(c) If the federal government imposes a penalty on California's child support program for the failure to meet the October 1, 1997, deadline for the implementation of an automated child support enforcement system required by the federal Family Support Act of 1988 (P.L. 100-485), no portion of any penalty imposed by the federal government for the period of October 1, 1997, to the date of enactment of the act adding this subdivision shall be assessed against Los Angeles County. Pursuant to this subdivision, any portion of the penalties not allocated to Los Angeles County shall be paid from the General Fund, upon appropriation by the Legislature, and shall not be allocated to any other county.

(d) This section shall remain operative only until the operative date of Assembly Bill 196 of the 1999–2000 Regular Session, at which time this section is repealed.

SEC. 4. The sum of ninety-five million five hundred thousand dollars (\$95,500,000) is hereby appropriated from the General Fund to the State Department of Social Services, in augmentation of Item 5180-141-0001 of the Budget Act of 1999, for the state payment of penalties, otherwise allocated to each county, being held in abeyance pursuant to subdivision (a) of Section 10088 of the Welfare and Institutions Code.

SEC. 5. For purposes of implementing and administering this act in the 1999–2000 fiscal year, the sum of six million six hundred thousand dollars (\$6,600,000) is hereby appropriated from the General Fund to the Franchise Tax Board, in augmentation of Item 1730-001-0001 of the Budget Act of 1999. Of the amount appropriated, 34 percent shall be paid from the General Fund and 66 percent shall be paid through federal reimbursement. It is the intent of the Legislature that the funds to administer this act for the 2000–01 fiscal year, and each fiscal year thereafter, shall be provided for in the annual Budget Act. In the event an appropriation is not fully expended by the Franchise Tax Board during the fiscal year for which it was appropriated, the unexpended appropriated amount shall be carried over to, and expended in, the following fiscal year if expended for the purpose for which it was originally appropriated. The appropriated funds shall not be reduced or redirected away from the purpose for which they were appropriated without the prior approval of the Director of Finance. The director shall not approve any such reduction or redirection sooner than 30 days after providing notification to the Joint Legislative Budget Committee.

SEC. 6. (a) Any funds referenced in subdivision (a) of Section 17714 of the Family Code and subdivision (a) of Section 15200.97 of the Welfare and Institutions Code that have been or are to be paid to a county for any fiscal year through the 1998–99 fiscal year, including interest earned on those funds, that have not been expended or encumbered, as defined by standards developed by the State Department of Social Services, by September 1, 1999, or are not part of a written plan approved by the department under subdivision (c) of Section 17714 of the Family Code or subdivision (c) of Section 15200.97 of the Welfare and Institutions Code, shall revert to the General Fund. In addition, and notwithstanding subdivision (b) of Section 15200.81 of the Welfare and Institutions Code or Section 17704 of the Family Code, as of June 30, 2000, the child support incentive funds appropriated in Item 5180-101-0001 of the Budget Act of 1999 that have not been allocated for program administrative costs pursuant to Section 15200.81 of the Welfare and Institutions Code or Section 17704 of the Family Code, and that otherwise would have been used to fund incentive payments, shall revert to the General Fund.

(b) The auditor and controller of each county shall calculate the amount of unexpended and unencumbered funds based on standards



determined by the department. The auditor and controller shall certify that amount in a report submitted to the department by December 1, 1999.

(c) The department shall notify each county of the amount to be reverted to the General Fund. Within 30 days of notification, the county shall remit that amount to the department.

(d) The department shall contract with the Department of Finance for the audit of county child support funds, including, but not limited to, prior year funds subject to reversion to the General Fund and current funding uses.

SEC. 7. (a) Any funds referenced in subdivision (a) of Section 15200.97 of the Welfare and Institutions Code that have been or are to be paid to a county for any fiscal year through the 1998–99 fiscal year, including interest earned on those funds, that have not been expended or encumbered, as defined by standards developed by the State Department of Social Services, by September 1, 1999, or are not part of a written plan approved by the department under subdivision (c) of Section 15200.97 of the Welfare and Institutions Code, shall revert to the General Fund. In addition, and notwithstanding subdivision (b) of Section 15200.81 of the Welfare and Institutions Code, as of June 30, 2000, the child support incentive funds appropriated in Item 5180-101-0001 of the Budget Act of 1999 that have not been allocated for program administrative costs pursuant to Section 15200.81 of the Welfare and Institutions Code, and that otherwise would have been used to fund incentive payments, shall revert to the General Fund.

(b) The auditor and controller of each county shall calculate the amount of unexpended and unencumbered funds based on guidelines determined by the department. The auditor and controller shall certify that amount in a report submitted to the department by December 1, 1999.

(c) The department shall notify each county of the amount to be reverted to the General Fund. Within 30 days of notification, the county shall remit that amount to the department.

(d) The department shall contract with the Department of Finance for the audit of county child support funds, including, but not limited to, prior year funds subject to reversion to the General Fund and current funding uses.

SEC. 8. Section 6 of this act shall become operative only if Assembly Bill 196 of the 1999–2000 Regular Session is chaptered and adds Sections 17704 and 17714 to the Family Code, in which case Section 7 of this act shall not become operative.

SEC. 9. Upon the request of the Department of Child Support Services or the Health and Human Services Agency, the Department of Social Services, with the approval of the Department of Finance, shall transfer Budget Act of 1999 state operations and local assistance appropriation authority and positions to the Department of Child

Support Services. These transfers shall not exceed the budgeted amounts for child support in the following Budget Act Items: 5180-001-0001, 5180-002-0001, 5180-002-0890, 5180-101-0001, 5180-101-0890, 5180-141-0001, and 5180-141-0890. The Department of Finance shall implement the approved transfers by Executive Order, and the transferred amounts shall be deemed part of the Budget Act of 1999 and subject to the provisions thereof.

SEC. 10. Upon the request of the Franchise Tax Board and the Department of Social Services, the Department of Finance shall transfer Budget Act of 1999 state operations and local assistance appropriation authority and positions related to development and procurement of a single statewide automated child support system from Items 5180-001-0001, 5180-001-0890, 5180-141-0001, and 5180-141-0890 to the Franchise Tax Board in augmentation of Item 1730-001-0001 for the purpose of implementing this act. The Department of Finance shall make conforming transfers and adjustments to the Budget Act of 1999 appropriations and position authority for the Health and Welfare Agency Data Center. The Department of Finance shall implement these approved transfers and adjustments by Executive Order. The Franchise Tax Board shall separately account for funds transferred and appropriated for the purposes of this act. The Franchise Tax Board shall delegate all necessary authority to the executive officer to ensure the expeditious and effective completion of this project.

SEC. 11. Item 5180-001-0001 of the Budget Act of 1999 is amended to read:

5180-001-0001—For support of Department of Social	
Services	79,775,000
Schedule:	
(a) 16—Welfare Programs	79,066,000
(b) 25—Social Services and Licens-	
ing	124,862,000
(c) 35—Disability Evaluation and	
Other Services	186,523,000
(d) 60.01—Administration	34,255,000
(e) 60.02—Distributed Administra-	
tion	–34,054,000
(f) Reimbursements	–16,360,000

- (g) Amount payable from Foster Family Home and Small Family Home Insurance Fund (Item 5180-001-0131) -3,000,000
- (h) Amount payable from the Federal Trust Fund (Item 5180-001-0890) -291,517,000

Provisions:

1. The Department of Finance may authorize the transfer of funds from Schedule (b) of this item to Schedule (c), Program 25.45, of Item 5180-151-0001, Community Care Licensing, in order to allow counties to perform the facilities evaluation function.
2. The Department of Finance may authorize the transfer of funds from Schedule (b) of this item to Schedule (a)(2), Program 25.25.020, of Item 5180-151-0001, Adoptions, in order to allow counties to perform the adoptions program function.
3. Nonfederal funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
4. Of the amount appropriated in this item, \$1,000,000 shall be allocated on a one-time basis to local food bank programs to expand refrigeration space, purchase vehicles, or purchase other equipment that would be directly used for the purchase, delivery, or distribution of food products or for other uses that would allow food banks to increase the amount of food they can receive and distribute, with the allocation process for this \$1,000,000 to be developed by the department in consultation with the Emergency Food Assistance Advisory Board.
6. The State Department of Social Service shall collect and analyze data on foster family

agency (FFA) and non-relative foster family home (FFH) placements, including but not limited to, statewide and county-specific utilization patterns and historic trends; rates of payment, including specialized care increments; and comparative data on the characteristics of (a) counties and their placement policies, (b) the children placed in each kind of placement, including demographic information as well as information such as the number of prior placements, length of stay, and treatment goals and (c) the FFA and non-relative FFH placements in terms of purpose, number of certified beds, number of children in residence.

The department shall report its findings to the appropriate fiscal and policy committees of the Legislature by June 30, 2000. This report shall include recommendations for a second phase of study, to begin June 30, 2000, to determine how FFA and non-relative FFH placements are and should be utilized to meet the needs of children and families. The second phase shall include, at a minimum, the identification and comparison of (a) county and FFA standards of practice for certification or licensure and oversight of homes and the services and supports provided to parents, (b) the criteria counties use to determine whether to place children into an FFA or non-relative FFH, (c) how often and why counties place children into FFA homes when the child is assessed as needing an FFH placement, (d) the reasons that foster parents choose to enroll and remain with the county or an FFA, and (e) the outcomes for children placed out of home in these facilities, both during the placement and after they have left placement. The department shall convene a steering committee to provide direction for this study.

7. The State Department of Social Services shall report during budget hearings for the 2000–01 fiscal year on its implementation of regional foster care ombudsman offices, including, but not limited to, the process by which it established north and south regional offices



and data collection procedures. The department shall also provide preliminary information on the potential need for additional regional offices or staff, including at a minimum the number of calls received by the offices, the time of day when calls are received, and the resolution of these calls.

8. Upon the approval of the Department of Finance, the Department of Social Services may transfer funds to this item from Items 5180-002-0001, 5180-101-0001, and 5180-141-0001, inclusive of amounts payable from the federal trust fund, for the purpose of advanced implementation activities performed on behalf of the Department of Child Support Services. The Health and Human Services Agency shall concur in any transfers made under this provision.

SEC. 12. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

SEC. 13. Section 1 of this act, amending Section 17710 of the Family Code as added by Assembly Bill 196 of the 1999-2000 Regular Session, shall become operative only if Assembly Bill 196 of the 1999-2000 Regular Session is chaptered and adds Section 17710 to the Family Code, in which case Section 3 of this act, amending Section 15200.95 of the Welfare and Institutions Code, shall remain operative only until the operative date of Section 17710 of the Family Code, at which time Section 1 of this act shall become operative.

SEC. 14. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that a federally required statewide child support automation system be developed and implemented as soon as possible and to avoid the imposition of more federal penalties than necessary, it is necessary that this act take effect immediately.

